

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
Government Affairs

1615 H STREET, N.W.  
WASHINGTON, D.C. 20062-2000  
202/463-5310

March 27, 2006

United States House of Representatives  
Washington, D.C. 20515

On behalf of the U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector and region, I write to express the Chamber's support of H.R. 609, the College Access and Opportunity Act of 2006, which would reauthorize and modernize the Higher Education Act of 1965. The enactment of this bill is crucial to improving workforce preparedness, maintaining our competitiveness and preserving our economic security.

As part of our efforts to advance U.S. global competitiveness, and our focus on HEA reauthorization, the Chamber leads the Coalition for a Competitive American Workforce (CCAW), which promotes improved access to quality education for the non-traditional student.

A motivating force behind the enactment of the HEA in 1965 was the recognition that one of the primary purposes of postsecondary institutions should be to develop a highly skilled workforce. However, a number of provisions currently included in the HEA are outdated and obstruct the ability of the postsecondary education sector to continue to provide innovative solutions to America's workforce needs. H.R. 609 takes significant steps to alleviate the present hurdles which impede access for many students and adults from receiving a quality education. The bill, as reported by the House Education and the Workforce Committee, makes these changes in a responsible manner, maintaining and including appropriate safeguards to ensure quality education and integrity in the use of Title IV funds.

The Chamber specifically supports the following provisions:

1. Modify the "90-10" rule. Currently, the HEA requires proprietary institutions, and these alone, to obtain at least 10 percent of their revenues from sources other than student financial assistance programs. Non-profit and public institutions, even though they are advantaged through favorable tax treatment and public subsidies, are free to secure all of their revenues from HEA programs. This rule was imposed as an inappropriate proxy measure of educational quality and institutional integrity. Since then, Congress, the U.S. Department of Education and accrediting organizations have imposed additional stringent requirements upon the proprietary education sector to curb abuses and to assure educational quality and institutional integrity. These measures have been effective. The bill properly modifies the 90-10 restrictions by moving them to the Program

Participation Agreement sections of HEA, and requiring that *all* Title IV eligible institutions be required to meet this rule. Further, it is appropriate to provide schools an opportunity to correct any violations of the rule, before they lose eligibility. Finally, the Chamber also supports the bill's effort to better guide the Department in the application of the 90-10 rule.

2. Accreditation-based safeguards to ensure continued quality in online education. Last summer provisions were included in H.R. 609 to repeal the outmoded 50 percent rules restricting online education. While the repeal of the 50 percent rules was included in the budget reconciliation bill and enacted into law, the safeguard provisions could not be included under procedural rules of the Senate. These provisions should be included in H.R. 609, as an essential component to the successful repeal of the 50 percent rules and to ensure the continued strength and quality of online education.

3. Eliminate the accreditation-based restrictions on transfer of credits. Currently, many institutions refuse to even evaluate the credits earned by students at other institutions based solely on those institutions' accreditation. Such policies have no justification when institutions are accredited by agencies recognized by the U.S. Department of Education. These discriminatory practices impede the ability of students to build upon the education and training they have successfully completed. The ability to transfer credits is more than a matter of equity. By requiring students to re-take courses unnecessarily, the cost of education escalates, and scarce financial resources, including federal funds, are wasted. Moreover, the ability of the postsecondary educational system to respond efficiently to workforce needs is constrained. It is no infringement on institutional autonomy or academic rights to require institutions to evaluate students' credits based on legitimate course equivalency and student proficiency considerations, rather than on an unfounded accreditation-based proxy.

4. Funding for a third semester Pell Grant. Non-traditional students, who now represent the majority of all students, need access to education and training on a year-round basis, not on the old September-May schedule of the traditional academy. A full semester Pell Grant should be available to these students who are dedicated to attending classes year-round.

5. Reform unequal definitions of higher education. Under current HEA definitions, proprietary institutions and their students are treated separately, and unequally, from traditional academia. The HEA has multiple definitions of institutions of higher education and distinguishes proprietary from non-profit and public institutions. These multiple definitions are a source of confusion and fail to recognize the maturation of proprietary institutions and the contributions they make to the education and training of students. Proprietary institutions should be recognized in the HEA as full and equal participants in its programs.

The reauthorization of the HEA provides an opportunity, at a critical juncture in the global development of our economy, for Congress to modernize the HEA to meet the new competitive demands of the 21<sup>st</sup> Century. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten